

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 3166 – HB 3322

March 29, 2010

SUMMARY OF AMENDMENT (015915): Exempts the TennCare program from the provisions of the bill.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures – \$17,500/One-Time
\$28,300/Recurring

Increase Local Expenditures – Not Significant

Increase Federal Expenditures - \$17,500/One-Time
\$54,600/Recurring

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation would result in a not significant increase in the cost of health insurance premiums for plans that will make revisions to a patient's out-of-pocket expenses for chemotherapy within the provisions of the proposed legislation.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures – Not Significant

Increase Local Expenditures – Not Significant

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Such legislation would result in a not significant increase in the cost of health insurance premiums for plans that will make revisions to a patient's out-of-pocket expenses for chemotherapy within the provisions of the proposed legislation.

Assumptions applied to amendment:

- The amendment exempts the TennCare program, so there will not be a fiscal impact to the state and federal expenditures of the program.

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- According to the Department of Finance and Administration, the third-party administrators of the State, Local Education, and Local Government Plans provide coverage for orally administered chemotherapy. Two of the administrators provide these benefits in essentially the same manner as intravenously administered drugs.
- The third administrator provides oral applications benefits as a pharmacy benefit and the intravenous application as a medical benefit. It is assumed that only minor changes would be necessary and would not result in a significant impact on plan costs.
- Any local governments that offer health care insurance that is not part of the state sponsored health plan, may incur an impact to plan costs if this mandate impacts the plan that is offered. It is assumed that only minor changes would be necessary and would not result in a significant impact on plan costs.
- According to the Department of Finance and Administration, the provisions of the bill will not apply to the Cover Tennessee programs.
- The Department of Commerce and Insurance may receive revised forms and rates from some health insurance plans. Any cost is estimated to be not significant and can be accommodated within existing resources without an increased appropriation or reduced reversion.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

/kml